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ABSTRACT

This report concerns the review by the General Accounting Office of the operation of the fiscal year 1970 programs, funded under Title I of the 1965 Elementary Secondary Education Act and certain aspects of the 1971 programs of the Illinois State educational agency, and of the Chicago, Harrisburg, and Rockford local educational agencies. The local agencies expended about 26.6 million dollars, $102,000, and $544,000 respectively, of the 47 million dollars of Title I funds expended in Illinois for the fiscal year 1970 program. Under the Title I program, the three local educational agencies implemented projects that provided new or additional services which otherwise might not have been available, or which would have been available only on a limited basis, to educationally deprived children. For example, contrary to Office of Education guidelines, the local educational agencies did not establish measurable objectives nor adopt specific procedures to evaluate the success of their major Title I project activities. The objectives listed by the local agencies in their project applications were generally held to be vague and were not stated in measurable terms by the types of changes sought and the degree of change expected in the child's performance. (Author/JM)

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GAO

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REPORT TO THE CONGRESS

The Federal Program Of Aid To Educationally Deprived Children In Illinois Can Be Strengthened

B-164031(1)

Office of Education
Department of Health, Education,
and Welfare

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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JUNE 22, 1972

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-164031(1)

To the President of the Senate and the
Speaker of the House of Representatives

This is our report entitled "The Federal Program of Aid to Educationally Deprived Children in Illinois Can Be Strengthened." This program is authorized by title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 241a) and is administered by the Office of Education, Department of Health, Education, and Welfare.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director, Office of Management and Budget; the Secretary of Health, Education, and Welfare; and the Commissioner of Education.

Elmer B. Staats

Comptroller General
of the United States

Contents

CHAPTER		Page
DIGEST		1
1	INTRODUCTION	5
	Responsibility for program administration	6
	Program participation	7
2	NEED TO EVALUATE PROJECT IMPACT	8
	Program requirements	8
	Measurable objectives not stated	10
	Project impact not measured	11
	Need for compliance with requirement for LEA annual evaluation	13
	SEA comments	13
	Conclusions	14
	Recommendation to the Secretary of Health, Education, and Welfare	15
3	IMPROVEMENTS NEEDED IN DETERMINING SCHOOL ATTENDANCE AREAS ELIGIBLE TO PARTICIPATE	16
	Program requirements	16
	Selection of school attendance areas not based on current and complete data	17
	Documentation supporting determination of school attendance areas not retained	19
	Conclusions	19
	Recommendation to the Secretary of Health, Education, and Welfare	19
4	NEED FOR COMPREHENSIVE ASSESSMENT OF EDUCATIONAL NEEDS	21
	Program requirements	21
	Comprehensive assessment of needs not made	22
	Conclusions	27
	Recommendations to the Secretary of Health, Education, and Welfare	27

CHAPTER		Page
5	IMPROVEMENTS NEEDED IN PROGRAM DESIGN AND OPERATION	29
	Concentration of program and provision of services	29
	Selection of children to participate in project activities	35
	Extension of services to nonpublic school children	39
	Involvement of parents and community organizations in program	41
	SEA and OE comments	42
	Conclusions	43
	Recommendations to the Secretary of Health, Education, and Welfare	43
6	NEED FOR REVIEW OF EQUIPMENT PURCHASED WITH TITLE I FUNDS	45
	Program requirements	45
	Use of equipment not reviewed	46
	SEA comments	48
	Conclusions	48
	Recommendations to the Secretary of Health, Education, and Welfare	49
7	IMPROVEMENTS NEEDED IN SEA'S ADMINISTRATION OF PROGRAM	50
	Review of project applications	50
	Monitoring LEA activities	51
	Administration of local financial audits	52
	Conclusion	53
	Recommendation to the Secretary of Health, Education, and Welfare	53
8	AUDIT FINDINGS REPORTED BY HEW AUDIT AGENCY	55
	Audit responsibility requirements	55
	Audit findings not resolved on a timely basis	56
	Conclusion	57
9	NEED TO CONSOLIDATE PROGRAM GUIDANCE MATERIAL	58
	Conclusion	59

CHAPTER		Page
10	SCOPE OF REVIEW	60
APPENDIX		
I	Letter dated May 22, 1972, from the Assistant Secretary, Comptroller, Department of Health, Education, and Welfare, to the General Accounting Office	61
II	Principal officials of the Department of Health, Education, and Welfare responsible for activities discussed in this report	68

ABBREVIATIONS

GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
LEA	local educational agency
OE	Office of Education, Department of Health, Education, and Welfare
SEA	State educational agency

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

THE FEDERAL PROGRAM OF AID TO EDUCATIONALLY DEPRIVED CHILDREN IN ILLINOIS CAN BE STRENGTHENED

Office of Education
Department of Health, Education, and Welfare B-164031(1)

D I G E S T

WHY THE REVIEW WAS MADE

Title I of the Elementary and Secondary Education Act of 1965 authorizes Federal financial assistance--about $1 billion annually--for programs designed to meet the special educational needs of educationally deprived children living in areas having high concentrations of children from low-income families.

The Office of Education (OE), Department of Health, Education, and Welfare (HEW), is responsible for the overall administration of the program at the national level, and the State educational agency is responsible at the State level. Local educational agencies are responsible for developing and implementing the special educational programs to be operated within their jurisdictions.

Because of the magnitude of the Federal funds involved and the flexibility accorded to the State educational agencies in administering the program in their States, the General Accounting Office (GAO) has reviewed selected areas of program operation in several States.

This report concerns GAO's review of the operation of the fiscal year 1970 programs and certain aspects of the 1971 programs of the Illinois State educational agency and the Chicago, Harrisburg, and Rockford local educational agencies. These local agencies expended about $26.6 million, $102,000, and $544,000, respectively, of the $47 million of title I funds expended in Illinois for the fiscal year 1970 program.

FINDINGS AND CONCLUSIONS

Under the title I program, the three local educational agencies implemented projects that provided new or additional services which otherwise might not have been available, or which would have been available only on a limited basis, to educationally deprived children.

However, certain areas in program operation and administration required special attention by management officials to help ensure that their programs were having the maximum impact on the educationally deprived children.

Evaluation of project impact

Contrary to OE guidelines the local educational agencies did not establish measurable objectives nor adopt specific procedures to evaluate the success of their major title I project activities. The objectives listed by the local agencies in their project applications were generally vague and were not stated in measurable terms by the types of changes sought and the degree of change expected in the child's performance.

For example, one objective listed by a local agency for its reading activity was merely to build a varied vocabulary. GAO believes that this objective should have been stated in terms of an expected rate of increase for the children who would participate in the activity. Actual achievement could then have been measured against this criterion. (See p. 10.)

Evaluations that were made were based primarily on opinion surveys and teacher judgments. Although such evaluations are useful, GAO believes that they should be supported by, or used in conjunction with, objective test data. (See p. 11.)

Assessment of educational needs

Although the local educational agencies had identified certain general educational needs of the educationally deprived children in their title I project areas, they did not identify nor assess the variety, incidence, or severity of the needs nor document the evidence used in determining the needs that had been identified.

Further, contrary to OE guidelines, the local agencies did not make concerted efforts to involve parents of title I children or representatives of interested community organizations in determining the educational needs of the children. (See p. 21.)

Program design and operation

Improvements were needed in various aspects of the design and operation of the local educational agencies' programs. Specifically a need exists:

--To concentrate programs on a limited number of eligible attendance areas and to provide a variety of services to participating children. (See p. 29.)

--To establish procedures for selecting the most educationally deprived children to participate in project activities. (See p. 35.)

--To extend services to eligible non-public-school children. (See p. 39.)

--To involve parents of title I children and representatives of community organizations. (See p. 41.)

The local educational agencies promised to take corrective action.

Other areas of local educational agency administration

GAO believes that two areas of program administration--selection of school attendance areas and use of equipment purchased with title I funds--required special attention by local management officials. (See pp. 16 and 45.) For example, home economics, industrial arts, and science equipment costing about $47,000 was located in a junior high school in Rockford although the title I projects at this school consisted of remedial reading, mathematics, and related services.

State agency administration

GAO believes that, to help correct the weaknesses discussed in this report, the Illinois State educational agency should strengthen its administration in three respects--reviewing project applications, monitoring local agency activities, and administering local financial audits. The State agency agreed to do so. (See p. 50.)

OE resolution of HEW audit findings

During the period March 1967 through February 1971, the HEW Audit Agency issued 55 reports on the title I program in 42 States. As of June 30, 1971, findings involving about $37 million in title I funds in 24 of the States, including $9.4 million in Illinois, had not been resolved by OE. Many of the findings had remained unresolved from 2 to 4 years.

Actions taken by OE during 1971 should provide for more timely resolution of reported audit findings and for the recovery of improperly expended program funds. (See p. 56.)

Consolidation of program guidelines

According to State and local educational agency officials, the absence of a consolidated set of program guidelines and a high turnover in local agency title I employees were responsible, to a great extent, for the program administration and implementation problems being experienced. OE officials agreed that all guidance material should be consolidated and said that, although they were working toward this goal, they did not expect to meet it until early 1972. (See p. 58.)

GAO believes that early issuance of a manual in a format that will permit systematic incorporation of new material and revisions should significantly assist State and local educational agency officials in administering the program.

RECOMMENDATIONS OR SUGGESTIONS

HEW should work with the State and local educational agencies or take other necessary action to ensure:

--That project objectives are developed in measurable terms and that techniques and procedures for evaluating the success of the projects are devised. (See p. 15.)

--That current and complete data on the number of children are used in determining school attendance areas eligible to participate in the program. (See p. 19.)

--That comprehensive assessments are made of the needs of educationally deprived children. (See p. 27.)

--That the title I program (1) is concentrated in a limited number of eligible school attendance areas and is providing a variety of services to the participating children, (2) is focused on the most educationally deprived children, (3) is extended to eligible non-public-school children, and (4) involves parents and other groups in the community. (See p. 43.)

--That equipment purchased with title I funds is being used to meet the needs of educationally deprived children and, if no longer used for such purposes, is properly disposed of. (See p. 49.)

GAO made additional recommendations relating to these and other areas. (See pp. 15, 20, 27, 43, 49 and 53.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

HEW concurred in GAO's recommendations and described actions taken or planned to implement them. (See pp. 15, 20, 28, 43, 49 and 54.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

This report calls attention to areas of operation and administration of the title I program in Illinois that can be strengthened at the Federal, State, and local levels to help ensure that the program is having the maximum impact on the educationally deprived children. The report should be of interest to the Congress in its current deliberations on elementary and secondary education legislation.

CHAPTER 1

INTRODUCTION

The Elementary and Secondary Education Act of 1965 (20 U.S.C. 241a) represents the largest single commitment by the Federal Government to strengthen and improve educational quality and opportunities in elementary and secondary schools across the Nation. Title I of the act authorizes Federal financial assistance--about $1 billion annually--for programs designed to meet the special educational needs of educationally deprived children living in areas having high concentrations of children from low-income families.

Office of Education guidelines state that, as with any other group of children, educationally deprived children differ from one another but that certain characteristics of such children taken as a group are distinguishable; for example, a lack of response to conventional classroom approaches, inadequate performance in communication skills, physical defects, low aspirations, poor attendance at school, and a high failure rate. Project activities designed to overcome these problems are varied and have included health care, preschool projects, and remedial and enrichment classes and have involved speech and hearing specialists and social workers. The projects, according to OE guidelines, should be designed to give reasonable promise of substantial success in meeting the special educational needs of the educationally deprived child.

Our review was made at OE headquarters in Washington, D.C., the Illinois State educational agency (SEA), and the Chicago, Rockford, and Harrisburg local educational agencies (LEAs). The three LEAs serve large, medium, and small cities having populations of 3.3 million, 144,000 and 9,000, respectively. The review was directed primarily toward an examination of data available on the impact made by selected fiscal year 1970 projects on the educationally deprived children residing in the project areas. Also selected aspects of the 1971 program were reviewed.

RESPONSIBILITY FOR PROGRAM ADMINISTRATION

OE is responsible for the overall administration of the title I program at the national level, and SEAs are responsible at the State level. LEAs are responsible for developing and implementing the special educational programs to be operated within their jurisdictions. As used in this report when referring to an LEA, the term "program" refers to the sum of projects proposed by the LEA for support under title I. The program may consist of one or more projects, depending on the LEA's plan for meeting the special educational needs of the educationally deprived children. Each project, in turn, is generally subdivided into project activities.

OE develops regulations and guidelines for administration of the program and provides consultative service to SEAs. To participate in the program, a State is required by the act to submit, through its SEA, an application to OE for review and approval. The SEA is required to include in the application assurances that it will administer the program and will submit reports in accordance with the provisions of the act and the OE title I program regulations.

SEAs' major responsibilities are to (1) approve project applications submitted by LEAs after determining that the proposed projects are designed to meet the special educational needs of educationally deprived children in school attendance areas having high concentrations of children from low-income families, (2) ensure that title I funds are used only for approved projects, and (3) adopt fiscal control and fund accounting procedures to ensure proper disbursement of, and accounting for, Federal funds received from OE and, in turn, paid to LEAs to finance the approved projects.

The act authorizes payments to a State to defray its cost of administering the program and of providing technical assistance to LEAs. These payments in any fiscal year may not exceed 1 percent of the total grants to the State for that year or $150,000, whichever is greater. Illinois received an average $464,000 a year for administering the title I program during fiscal years 1966 through 1970.

An LEA is an agency which has administrative control and direction of free public education up to and including grade 12 in a county, township independent, or other school district. LEAs are responsible for developing and implementing projects under the title I program. This responsibility includes determining school attendance areas eligible for participation, identifying the educationally deprived children in these areas, determining the special needs of such children, developing projects responsive to the priority needs of these children, adopting procedures for evaluating the effectiveness of major project activities, submitting applications to the SEA for grants, and carrying out the projects in accordance with the approved application and applicable rules and regulations.

The act established a National Advisory Council on the Education of Disadvantaged Children which has responsibility for reviewing and evaluating the administration and operation of the title I program, including its effectiveness in improving the educational attainment of educationally deprived children.

PROGRAM PARTICIPATION

The following table, prepared from statistics compiled by the SEA and the three LEAs reviewed, shows the number of children who participated in, and the amount of Federal funds spent for, the fiscal year 1970 title I program.

	Number of participating children	Federal funds spent
Illinois	361,638[a]	$46,955,000
LEAs:		
Chicago	136,874[a]	26,607,000
Harrisburg	295	102,000
Rockford	2,919[a]	544,000

[a]Children have been counted once for each project activity they participated in.

CHAPTER 2

NEED TO EVALUATE PROJECT IMPACT

Under the title I program, the three LEAs implemented projects that provided new or additional services which otherwise might not have been available, or which would have been available only on a limited basis, to educationally deprived children. Information that we obtained from various sources--including discussions with parents of title I children, teachers and school officials, as well as various reports prepared by the LEAs and the SEA--indicated that the projects were generally well received by the communities and were considered responsive to the most readily apparent educational needs of participating children.

Contrary to OE guidelines, the LEAs did not establish measurable objectives by the types of changes sought and the degree of change expected and generally did not adopt specific procedures to evaluate the success of their major title I activities. Evaluations that were made were usually based on opinion surveys and teacher judgments. Although such evaluations are useful, we believe that they should be supported by, or used in conjunction with, objective test data. Test data were obtained for some project activities, but they were not analyzed by the LEAs and used to evaluate the impact of the activities. Further the LEAs did not prepare nor submit, although required, annual evaluation reports on program impact to the SEA. Consequently, the LEAs, the SEA, and other parties interested in the title I program were not in a position to evaluate the LEAs' program success or to determine whether program approaches or funding levels should be revised.

PROGRAM REQUIREMENTS

The act requires that procedures, including provision for appropriate objective measurements of educational achievement, be adopted and used by each participating LEA for evaluating, at least annually, the effectiveness of its title I program. Each LEA must report annually to the SEA on how the LEA's program is meeting the special educational needs of its educationally deprived children. The State,

in turn, must annually report its evaluation of the programs to the Commissioner of Education.

The evaluation reports are to be used primarily as a local management tool by the LEA in determining whether particular activities and services are succeeding and whether the LEA's approach or level of funding of individual activities should be revised to best meet the objectives of the program. In addition, the reports prepared by LEAs and SEAs are to be used by OE and the National Advisory Council on the Education of Disadvantaged Children to prepare evaluation reports on the results of the title I program at the national level.

OE regulations and guidelines require that every title I application set forth the objectives of the program and the procedures to be used to determine the LEA's success in reducing educational deficiency for each program year. According to the guidelines, the evaluation process must be carried out by the LEA at two levels--for each project and for the total program comprising all of its projects.

The specific objectives of each major project activity are to be stated in the application in such a way that the outcome of the activity can be evaluated against the specific objectives toward which it is aimed. The objectives are to be clearly and realistically stated in terms of the types of changes sought and the degree of change expected in the child's performance by the end of the year.

The LEA must describe in its application the procedures and techniques to be used in determining the extent to which the project activities meet the special educational needs of educationally deprived children. The procedures are to be based upon criteria which are consistent with the objectives set forth in the application and are to provide for reporting on a before-the-fact and an after-the-fact basis the educational deficiencies and achievements of children served by the program. The techniques of evaluation are to be described in sufficient detail to enable the SEA to appraise their potential effectiveness.

MEASURABLE OBJECTIVES NOT STATED

Objectives stated in the project applications filed by the three LEAs were generally vague and were not expressed in measurable terms by types of changes sought and the degree of change expected. For example, some of the objectives listed by the Chicago LEA for its two largest fiscal year 1970 activities--special assistance in reading ($5 million expended) and school-community identification[1] ($3 million expended)--were as follows:

Reading:
--To build a varied vocabulary.
--To comprehend ideas in complex sentences.
--To use a variety of reference materials.
--To read for enjoyment.

School-community identification:
--To acquire basic skills and comprehension necessary for scholastic success.
--To exhibit positive attitudes toward school and community.

We believe that the above objectives should have been stated in more specific and measurable terms. For example, the objective of the reading activity, to build a varied vocabulary, should have been stated as an expected rate of increase for the children who would participate in the activity. Actual achievement could then have been measured against this criterion.

Chicago LEA officials agreed that the objectives were not stated by types of changes sought and the degree of change expected but said that the SEA had not required them to be so stated prior to July 1970. However, OE guidelines in effect from 1968 emphasized that the title I program be based on clearly stated objectives and desired outcomes. SEA officials agreed that they had not emphasized this requirement to LEAs.

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[1] This activity was to provide liaison between the school and the community.

Rockford LEA officials said that quantified objectives had not been designed because they had found that teachers resented being told to teach toward a specific goal in dealing with title I children. The title I director at the Harrisburg LEA told us that, before he could establish measurable objectives, he would need more guidance on how to establish them. However, officials at all three LEAs told us that, beginning with program year 1972, they would attempt to establish objectives in accordance with OE guidelines.

PROJECT IMPACT NOT MEASURED

The three LEAs did not establish specific evaluation procedures designed to evaluate the success of their major project activities. Evaluations that were made were based primarily on opinion surveys and teacher observations. Although these evaluations are useful, we believe that they should be supported by, or used in conjunction with, objective test data. Test data were obtained in some cases but were not interpreted nor used by the LEAs to measure the impact of the activities.

All three LEAs indicated in their project applications that standardized tests and opinion surveys would be used to evaluate most of their activities. For certain activities in Chicago and Rockford, the results of such tests and surveys were summarized; however, the results of the tests were not used to evaluate the impact of the activities. For example, the test scores were not analyzed to show the number of children having gains or losses in educational attainment and the extent of these gains or losses nor were the test scores related to the performance that could have been expected from such children had they not participated in the activities. At the Harrisburg LEA, tests were not summarized nor interpreted nor had the results of opinion surveys been documented.

For the reading activity conducted during the regular term by the Chicago LEA for 2,142 fourth-, fifth-, and sixth-grade students, test scores were obtained and mean scores were calculated for 335 fourth-grade students and 189 fifth-grade students for whom scores on tests taken both before and after participating in the activity were available. These test scores were not further anaylzed nor interpreted

to evaluate the success of the project activity. The scores showed that, on the average, the 335 fourth-grade students improved 0.59 years in reading achievement over 1 school year and that the 189 fifth-grade students improved 1.16 years over 2 school years. We were unable to determine whether the average rates of improvement were indicative of success because the LEA had not established objectives for the activity in terms of the degree of change expected.

Also the Chicago LEA sent questionnaires to teachers, administrators, and community representatives to obtain their opinions as to the success of the reading activity. The responses to the questionnaires indicated that the activity had been moderately successful in improving pupils' skills in reading.

We believe that, in the absence of measurable objectives, a further indication of whether the activity was successful could have been obtained had a comparison been made between the scores on tests taken before and after participating in the activity and the local norm for these tests. Such a comparison would have shown whether the child's performance was increasing, decreasing, or remaining constant in relation to this norm. We believe also that a further analysis of the test scores showing the number of children having gains or losses in educational attainment and the extent of these gains or losses would have provided an additional indicator of the activity's success.

We believe that, had the three LEAs established objectives for their project activities in terms of the degree of change expected and used the available test data in conjunction with the opinion surveys, they would have been in a better position to evaluate the results of the activities.

NEED FOR COMPLIANCE WITH REQUIREMENT FOR LEA ANNUAL EVALUATION

Contrary to OE regulations, the three LEAs did not prepare nor submit to the SEA annual evaluation reports on the impact of their programs. We believe that the preparation and submission of annual evaluation reports by LEAs would provide the SEA with an important means for determining the manner in which the LEA project activities were being conducted.

The three LEAs completed and submitted annual evaluation questionnaires on their projects to the SEA. LEA officials believed that these questionnaires fulfilled the requirement for submission of annual evaluation reports. However, we believe that the questionnaires did not fulfill the requirement because they were limited, for the most part, to requesting general information and statistical data on the LEAs' projects. The only evaluative data included in the questionnaires were estimates of the percentage of participating children in each reading activity showing marked, limited, or no improvement in reading achievement.

SEA officials told us that the questionnaires were processed under contract by an Illinois university which subsequently sampled selected LEAs for test data. However, these data were summarized for State-wide evaluation purposes and did not identify specific LEAs. Therefore it could not be used by the LEAs for evaluating their project activities.

Chicago and Rockford LEA officials told us that they were unaware that overall evaluations of their title I programs required by OE in its 1965 guidelines were a current program requirement. They also said that, if such evaluations were to be made, either OE or the SEA should provide more definitive guidance on their preparation.

SEA COMMENTS

SEA officials told us that school administrators and teachers were generally reluctant to commit themselves to specific goals or to be held accountable for attaining such goals. They told us also that many LEAs lacked the

expertise needed to establish measurable goals and evaluation procedures.

The officials said that in the past they had not disapproved title I applications that lacked measurable goals and evaluation procedures if the project was otherwise considered to be good because they believed that any delay in project approval would adversely affect the children intended to be served by the project. However, they told us that, beginning with fiscal year 1972, LEAs would be required to state in their project applications the measurable goals and the specific procedures for evaluation.

CONCLUSIONS

The three LEAs were successful in implementing projects that provided new or additional services which otherwise might not have been available, or which might have been available only on a limited basis, to educationally deprived children. However, the LEAs were unable to ascertain the impact of these projects on the participating children because they had not established measurable objectives and had not adopted specific evaluation procedures. Also the LEAs did not prepare nor submit the required annual evaluation reports on their programs to the SEA.

The establishment of measurable objectives and specific evaluation procedures and the preparation of reports on the evaluation process are essential if the National Advisory Council on the Education of Disadvantaged Children, OE, SEAs, and, most importantly, LEAs are to determine whether projects are successful and what direction should be taken in the future.

Requiring LEAs to include information in their project applications on objectives and evaluation procedures should be a prerequisite to application approval. If LEAs lack the expertise to establish these objectives and procedures, OE and the SEA should work with the LEAs in developing them.

RECOMMENDATION TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

HEW should work with the SEA and LEAs to develop project objectives stated in measurable terms and to devise techniques and procedures for evaluating the success of projects in meeting these objectives. HEW should also emphasize to the SEA the importance of obtaining the required annual evaluation reports from the LEAs and of using them as a basis for determining whether improvements in the LEA programs are necessary.

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HEW commented on a draft of this report by a letter dated May 22, 1972. (See app. I.) HEW concurred in our recommendations and stated that, from the fall of 1971, OE had worked with the SEA and LEA officials to develop project objectives stated in measurable terms and to devise techniques and procedures for evaluating the success of projects in meeting the established objectives. HEW stated also that the SEA had repeatedly emphasized to LEAs in in-service training and workshops held during 1972 the necessity for developing such objectives.

HEW stated further that OE had urged the SEA to (1) develop an evaluation mechanism which would be meaningful and effective for use by local and State employees in strengthening the process of review and approval of project applications and (2) initiate procedures to have LEAs make timely and accurate reports to the SEA on their evaluations of their title I programs.

CHAPTER 3

IMPROVEMENTS NEEDED IN DETERMINING SCHOOL ATTENDANCE AREAS ELIGIBLE TO PARTICIPATE

The proper determination of school attendance areas eligible to participate in the title I program is important to ensure that the limited title I funds are focused in those areas intended to be served by the program. Therefore the determination should be based on current and complete data on the number of children in the area served by the LEA.

One of the three LEAs used the same data compiled for its fiscal year 1969 program to select school attendance areas eligible to participate in the fiscal year 1970 and 1971 programs, even though during the interim period significant increases occurred in both the number of schools and the number of children in the areas served by the LEA. In determining which school attendance areas would be eligible to participate in its 1970 and 1971 program, the LEA did not count the children living in these areas who either attended nonpublic schools or were dropouts. For the two other LEAs, the basis for selecting attendance areas eligible to participate in the program was not documented, although such documentation was required by the SEA.

PROGRAM REQUIREMENTS

The enabling legislation provides that funds granted under title I be used for projects in school attendance areas having high concentrations of children from low-income families. OE has defined a school attendance area eligible to participate as an area served by a public school where either the percentage of children from low-income families is at least equal to the percentage for the entire LEA or the number of children from low-income families is at least equal to the numerical average of all such children in all attendance areas of the LEA. These areas are considered by OE as being the program's project areas and include the children who are eligible to participate in title 1 activities on the basis of educational deficiency and need for special services.

OE guidelines provide that all children aged 5 to 17 years, including children attending nonpublic schools and dropouts, residing within the area served by the LEA be considered in determining the concentration of children from low-income families. The guidelines place responsibility on the LEA for identifying the number of children from low-income families in school attendance areas within its jurisdiction. However, the guidelines do not specify the source data that should be used in making these identifications but rather provide considerable latitude to the LEA. Among the sources considered acceptable by OE are census data on family income, aid to families with dependent children and other welfare data, health statistics, and data from school surveys containing information indicating family income.

SEA instructions for the preparation of LEA project applications require LEAs to assemble and retain, as a part of their grant files, documentation used in determining school attendance areas to participate in the program.

SELECTION OF SCHOOL ATTENDANCE AREAS NOT BASED ON CURRENT AND COMPLETE DATA

The Rockford LEA used the same data compiled for its fiscal year 1969 program to determine which school attendance areas were eligible to participate in the program for fiscal years 1970 and 1971, even though during the interim period significant increases had occurred in both the number of schools and the number of children in the area served by the LEA.

In fiscal year 1970, 13 adjacent suburban LEAs and the Rockford LEA merged. As a result, the number of public schools under the Rockford LEA increased from 52 to 73 and the number of children increased from 45,683 to 51,361. The number of children from low-income families increased from 2,878 to 3,310 during fiscal year 1970 and to 3,926 during fiscal year 1971.

In determining the school attendance areas eligible to participate in the program for fiscal years 1970 and 1971, the LEA considered only children attending public schools and did not count children attending nonpublic schools or dropouts. Records at the LEA showed that, for fiscal years

1970 and 1971, there were 20 and 17 private schools having enrollments of 7,313 and 6,900 children, respectively. The records showed also that there were 823 and 650 dropouts in the two program years. These private school children and dropouts represented more than 15 percent of the total student population in the LEA during both years.

On the basis of our findings, the Rockford LEA recomputed the percentage of children from low-income families for each school attendance area by using 1971 data. Under the revised computations the LEA's determination of attendance areas eligible to participate in its 1971 program would have been significantly different. Of 16 school attendance areas that participated, four would have been ineligible and five that did not participate would have been eligible. Moreover, each of the five newly eligible school attendance areas would have had higher concentrations of children from low-income families than at least one of the 12 that remained eligible after the recomputation.

The LEA's title I director who prepared the grant application for 1970 was no longer employed by the LEA. The director who prepared the 1971 application said that he had generally continued the program as it was in 1970.

LEA officials agreed that not counting children attending nonpublic schools and dropouts could have significantly affected the eligibility of school attendance areas and that our review had brought out the need to base the determination of school attendance areas eligible to participate in the program on the most current data on the number of children in the area served by the LEA. They said that, beginning with the 1971 summer program, the LEA would (1) identify the number of children from low-income families on the basis of the most current data on dependent and foster children, (2) discontinue using the census data until the 1970 census became available, and (3) include private school children and dropouts in the determinations.

SEA officials told us that they depended on LEAs to properly determine the school attendance areas eligible to participate in the title I program. However, the SEA assistant title I director said that some of the errors which we had identified should have been identified by SEA supervisory employees during their review of the applications prior to grant approval.

DOCUMENTATION SUPPORTING DETERMINATION OF SCHOOL ATTENDANCE AREAS NOT RETAINED

The Chicago and Harrisburg LEAs, contrary to SEA instructions, did not retain adequate documentation supporting their determinations of school attendance areas eligible to participate in the program for fiscal year 1970. Because it was not practical to reconstruct the documentation, we could not verify that the LEAs had properly restricted participation in the title I program to eligible school attendance areas.

LEA officials in Chicago and Harrisburg said that they recognized their responsibility for retaining records supporting the determination of the eligibility of these areas but that the SEA instructions did not clearly state the extent and type of documentation that was expected to be retained. Our review of the SEA instructions confirmed that they were not clear as to the documentation required.

SEA officials who had oversight responsibility for the title I programs in the two LEAs told us that they had not reviewed the LEAs' supporting documentation because other work had priority or because no problems had been called to their attention.

CONCLUSIONS

In the selection of school attendance areas for participation in the title I program, the three LEAs neither used current and complete data nor retained documentation supporting their selections. In addition, the SEA did not review the data in support of the eligibility determinations to ascertain whether the determinations had been made in accordance with established criteria. As a result, OE and SEA officials responsible for program administration had no assurance that title I funds provided to these LEAs were being spent in those attendance areas which the program was intended to serve.

RECOMMENDATION TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

HEW should emphasize to the Illinois SEA the need for (1) ensuring that LEAs use the most current and complete

data in determining school attendance areas eligible to participate in the program, (2) retaining documentation supporting these determinations, and (3) revising SEA instructions to clearly indicate the extent and type of documentation that must be retained.

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HEW concurred in our recommendation and stated that a handbook entitled "Title I, ESEA, Selecting Target Areas: Handbook for Local Title I Officials" issued in July 1971 should help officials to designate eligible attendance areas by using the best available data. HEW stated also that, during OE's future reviews of the title I program in Illinois, OE would give special attention to the question of selecting attendance areas.

CHAPTER 4

NEED FOR COMPREHENSIVE ASSESSMENT OF EDUCATIONAL NEEDS

The identification of the multiple educational needs--including those indirectly related to the educational process--of children in project areas is considered by OE to be essential in designing a program having the maximum potential for overcoming educational deprivation. Although the three LEAs had identified general educational needs of the educationally deprived children and had implemented projects to meet these needs, they did not make comprehensive assessments to determine the variety, incidence, or severity of the needs. Further, the LEAs, contrary to OE guidelines, did not make concerted efforts to involve parents of title I children or representatives of interested community organizations in determining the needs of the children.

PROGRAM REQUIREMENTS

The objective of the title I program is to provide supplementary educational services that are responsive to the academic, behavioral, or physical needs of educationally deprived children. LEAs are responsible for developing a list of needs in order of priority, including information on the incidence and severity of the needs and documentation of, and the bases for, the assignment of priorities. OE guidelines do not, however, specifically state how a needs assessment should be made or the type of documentation required.

OE guidelines issued in July 1968 state that an LEA should establish local advisory committees for the planning, operation, and appraisal of a comprehensive compensatory education program. The guidelines suggest that at least 50 percent of the committee membership consist of representatives of neighborhood organizations which have an interest in the compensatory education program and parents of disadvantaged children attending schools serving the project area. The remainder of the committee should include school staff members representing the regular

and special programs to be offered in the project area, representatives of private schools, and leaders of other agencies and organizations that have an interest in the title I program.

The guidelines emphasize that the parents, agency representatives, and school staff members should be involved in the early stages of program planning and in discussions concerning the needs of children because they might be able to corroborate, or offer insights into, educational deficiencies.

COMPREHENSIVE ASSESSMENT OF NEEDS NOT MADE

The National Advisory Council on the Education of Disadvantaged Children stated in its January 1969 report that disadvantaged children invariably suffer from a number of forms of deprivation directly and indirectly related to the educational process, such as the need for new textbooks and reduced class size, inadequate nutrition, health disorders, and emotional problems. Consistent with the intent of the act, each of these needs must be identified and assessed so that priorities can be established for planning multiservice programs to ensure a genuine impact on the participating children.

Although the three LEAs had identified certain general educational needs of children, they neither identified nor assessed the variety, incidence, or severity of the needs nor documented the evidence used to establish the needs that had been identified. Also parents of title I children, private school officials, and representatives of community organizations who would have knowledge of the needs of these children were not involved, or were involved only to a limited extent, in this assessment process.

Chicago LEA

The Chicago LEA title I director told us that the determination of educational needs had been based on a study conducted by the LEA in 1965, the first year of the title I program, which showed the need for smaller classes, improvements in reading and pupil self-image, and teacher in-service training. The director said that the determination had been

made by the LEA central administrative staff working in consultation with district superintendents and school principals, representatives from a local private school system, and the local Community Action Agency.

The study was based essentially on several national and local publications concerning the education of disadvantaged children in general rather than on data concerning the specific needs of the children in Chicago. The incidence, severity, and priority of the needs for the project area children in Chicago were not identified by the LEA.

Contrary to OE guidelines, parents of title I children, community organizations (other than the Community Action Agency), and the various advisory committees were not involved in assessing the educational needs of the educationally deprived children. According to the LEA title I director, advisory committees were formed during the 1968-69 school year. These committees, however, existed in only 102 of the 257 schools designated to participate in the title I program during that year. During 1970 advisory committees were formed in the remaining schools.

Information supplied to us by the LEA showed that the composition of these committees was in accordance with OE guidelines issued in 1968. However, our discussions with selected committee members and reviews of committee meeting minutes indicated that these committees were concerned with a general exchange of information regarding ongoing projects and did not participate in assessing the needs of the educationally deprived children.

LEA officials told us that they considered the initial needs assessment to be adequate for program planning in later years and had not considered it necessary to obtain the community involvement required by the revised regulations which became effective in fiscal year 1969. Although the officials agreed that the LEA had not identified the priority needs in accordance with OE instructions, they were convinced that the program should be structured to deal with generally recognized reading deficiencies. They said that, because of the priority placed on remedial reading and its supplementary services, title I programming in Chicago had been limited to meeting educational needs and that they expected

other programs and agencies to provide for social needs, such as clothes and food. The officials said, however, that the LEA had no procedures for systematically obtaining information on whether other programs and agencies were meeting the social needs of the children.

LEA officials told us that, to ensure compliance with OE requirements, they would initiate a study directed toward identifying the multiple needs, and the extent of such needs, of the educationally deprived children in each of the project area schools and that they would provide that, through the advisory committees, parents of the title I children and representatives of interested organizations be involved in the study. The title I director said that additional guidance from OE would be useful to more fully explain the objective and use of the needs assessment and the determination of priorities so that the LEA could be fully responsive to the program requirements.

The SEA assistant director having oversight responsibility for the title I program in Chicago told us that she was aware that the LEA had not complied with the OE requirement that program planning be based on a community-developed, comprehensive needs assessment and that she had met with the LEA on several occasions to discuss this matter. She believed that the LEA had not adequately complied with this requirement because OE instructions did not adequately explain how a needs assessment should be made or what type of detail or documentation should be developed in support of the assessment.

Harrisburg LEA

In its fiscal year 1970 project application, the Harrisburg LEA listed as the priority needs of educationally deprived children in the project area the need for improvement in student achievement, the emphasis being on reading and self-image.

The title I director told us that the LEA's determinations had evolved over the years on the basis of experience gained from prior programs; test results; and informal discussions with teachers, school principals, parents, representatives of local agencies concerned with the needs

of children, and members of the schools' parent-teacher associations. Although remedial reading was the primary need identified by the LEA, it neither documented the incidence or severity of the reading problem in the project area nor documented the evidence used to show what other needs, if any, had been considered.

According to the title I director, the LEA does not have a list of needs beyond that shown in the project application because it lacks criteria for determining what should be on such a list and how it should be documented. LEA officials told us that OE guidelines should be clarified to better explain the LEA's responsibility for conducting a comprehensive assessment of needs. Although LEA officials agreed that other educational needs probably existed, they were not aware of any unmet needs having a higher priority than reading. They said that they believed that such needs as health, counseling, and speech correction were being adequately met with local funding.

The LEA established a citywide title I advisory committee in July 1970, comprising one teacher, two LEA officials, three parent-teacher association presidents, a representative of the teachers' association, and two parents. OE guidelines suggest that 50 percent of the membership of advisory committees be composed of parents of the disadvantaged children and other representatives of the community having a particular interest in compensatory education. In April 1971 LEA officials told us that the committee had met only once, in July 1970, for a general discussion of the ongoing and planned title I projects.

After we discussed OE's suggestions for parental and community involvement on advisory committees with LEA officials, they said that they planned to form a new advisory committee to make the required needs assessment and that the composition of this committee would be in conformity with OE guidelines. The title I director told us that he had not placed much emphasis on advisory committees because he believed that, in the relatively small community of Harrisburg, he and other LEA officials had sufficient knowledge of, and contact with, the educationally deprived children, their families, and representatives of the social service agencies to determine the needs of the children.

The SEA supervisor responsible for the title I program in Harrisburg told us that for smaller LEAs, such as Harrisburg, multiple educational needs usually existed but not to a sufficient extent to warrant having several title I specialists, such as nurses or social workers, to meet these needs. Therefore the SEA had emphasized projects directed toward academic problems, particularly reading. He said, however, that he would monitor Harrisburg's program to ensure that the planned corrective actions are implemented.

Rockford LEA

The LEA identified remedial reading and several supplementary services, such as those provided by a school nurse and social worker, as the priority needs of educationally deprived children in its project area. The LEA title I director said that these needs had been determined primarily from discussions between LEA staff members and principals of selected schools participating in the title I program.

The need for the remedial reading activity, according to the LEA's project application, was evidenced by below-average performance on standardized reading achievement tests. No specific data were cited to support the needs for any of the supplementary services. The LEA had not determined the incidence or severity of these needs and had not adequately documented the need for the services.

The LEA did not consult officials from private schools regarding the educational needs of educationally deprived children even though these schools served a large number of children in the title I project area, nor did the LEA consult parents of title I children or representatives of community organizations interested in the needs of children.

Principals and teachers that we interviewed indicated that the children in the program had many educational needs that were not being met, particularly the need for psychological, health, and counseling services, as well as English language instruction.

LEA officials acknowledged that they had not complied with the OE requirement for a comprehensive needs assessment and that their program was not responsive to the multiple

needs of the participating children. The officials said that they would take steps to make the required assessment and would form advisory councils in the project area in accordance with OE guidelines.

The SEA regional supervisor responsible for the LEA's program agreed with our findings and said that the SEA would monitor the LEA's plans to make a needs assessment to provide a basis for planning future programs.

CONCLUSIONS

The LEAs did not make comprehensive assessments of the needs of the children in their project areas, and they did not document the evidence used in determining the needs that had been identified. Also the LEAs, contrary to OE guidelines, did not make concerted efforts to involve the parents of title I children or the representatives of interested community organizations in determining the needs of the children. Had needs assessments been made, the LEAs would have been in a better position to design a program having maximum expectations of success in overcoming the educational deprivation of the children selected to participate in the program.

The SEA should increase its surveillance of the LEAs' efforts in assessing the educational needs of the children, including the extent to which parents and community representatives are involved, to help ensure that the title I program is responsive to the priority needs of the participating children. Also, because LEA officials did not have a clear understanding of the purpose of the needs assessment or the manner in which it should be accomplished, additional guidance from OE is needed.

RECOMMENDATIONS TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

HEW should emphasize to the SEA the need for LEAs to make comprehensive assessments of needs in accordance with OE instructions and to document such assessments. HEW should also furnish additional guidance to all LEAs to assist them in making the required comprehensive assessment of needs.

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HEW concurred in our recommendations and stated that OE would (1) reemphasize to the SEA the need for LEAs to make and document comprehensive assessments of needs and (2) give special attention during its next program review in the State to the procedures used in making these assessments.

HEW stated also that in January 1972 OE disseminated to the various State title I coordinators 21 transparencies which outlined the basic steps an LEA should follow in making needs assessments. The coordinators were to reproduce the transparencies and distribute them to each LEA for use in program development training sessions.

CHAPTER 5

IMPROVEMENTS NEEDED IN PROGRAM DESIGN AND OPERATION

Various aspects of the LEAs' program design and operation, which have been stressed by OE as being important to the success of the title I program, should be strengthened to improve program effectiveness. Specifically a need exists

--to concentrate the program on a limited number of eligible attendance areas and to provide a variety of services to participating children,

--to establish procedures for selecting the most educationally deprived children to participate in project activities,

--to extend services to eligible non-public-school children, and

--to involve parents of title I children and representatives of community organizations.

One or more of these areas required special attention in the programs of all three LEAs.

CONCENTRATION OF PROGRAM AND PROVISION OF SERVICES

The Chicago and Harrisburg LEAs did not restrict their programs to a limited number of school attendance areas determined by them to be eligible to participate, the Chicago LEA did not concentrate title I services in those school attendance areas having the highest concentration of children from low-income families, and none of the LEAs provided a variety of services to a limited number of participating children.

OE regulations state that projects should be of sufficient size, scope, and quality to provide reasonable promise of substantial success. According to OE guidelines, each participating child should be provided with a variety of

services and the program should be restricted to a limited number of children in a limited number of eligible school attendance areas. The guidelines state that more services should be provided and that a larger portion of children should participate in areas having the highest concentration of children from low-income families. The LEA is to make certain that the needs of children in schools in such areas are met before considering the needs of children in eligible areas having a lower concentration of children from low-income families.

The National Advisory Council on the Education of Disadvantaged Children concluded in its January 1969 report that success with disadvantaged children requires a concentration of services on a limited number of children but stated that, partly due to political pressure and to a normal human desire to do something for as many children as possible, many school administrators had spread their limited funds over very large groups. The Council reported that, as a result, although the children might be provided with a needed service for the first time, all of their other handicaps might go untouched and that title I funds--although spent for entirely worthy purposes--had simply failed to achieve the overall purpose of the enabling legislation. Therefore the Council called for adherence to the principle of concentrating funds where the need is greatest, so that a limited number of dollars can have genuine impact rather than be dissipated in laudable but inconclusive efforts.

Chicago LEA

Title I project activities for fiscal year 1970 were carried out in 267, or 97 percent, of the Chicago LEA's 275 schools determined by it to be eligible to participate in the program. Each school participated in from one to 13 activities; the average was five.

Although an average five activities was available at each school, our tests indicated that the majority of title I children had been enrolled in only one or two activities. LEA records for 47 of the schools in areas having the highest concentration of children from low-income families showed that 6,750 of the 10,400 participating children had been enrolled in one or two activities and that only 620 had been

enrolled in five or more activities. Further, LEA records showed that only one title I activity had been available in 46 other schools of the 267 title I schools.

The LEA's application stated that, for the reading activity, a variety of services would be provided to the participants by also including them in three supportive activities, such as field trips. However, over 50 percent of the students in the reading activity did not participate in supportive activities. Also, although 23,800 children participated in the LEA's school-community identification activity, 2,700 were in schools in which this was the only title I activity and about 7,000 other participants were not enrolled in any of their school's other title I activities.

LEA officials told us that title I activities were concentrated in 101 schools called focus-area schools--schools either in areas having the highest concentration of children from low-income families or in Model Cities areas. However, eleven focus-area schools had fewer than the average number of five activities and 27 non-focus-area schools had more than the average, as shown below.

Number of activities	Number of focus-area schools	Number of non-focus-area schools	Total
1	-	46	46
2	-	41	41
3	3	23	26
4	8	17	25
5	7	12	19
6 or more	83	27	110
Total	101	166	267

Also our analysis showed that 37 schools among those in areas having the highest concentration of children from low-income families had fewer than five activities and that 36 schools among those in areas having the lowest concentration of such children had five or more activities. The LEA title I director told us that there were many reasons for the 37 schools' having fewer than five activities, including

lack of space and staff and an expressed reluctance on the part of principals to administer a great number of activities. We contacted the principals of nine schools having the lowest number of activities, and they told us that, although the reasons given by the title I director were valid for the 1970 program, they were currently interested in having more title I activities and believed that any space and staffing problems could be overcome.

One reason given by LEA officials for placing a large number of activities in the 36 schools in areas having the lowest concentration of children from low-income families was that some of the schools were in Model Cities areas. They said that they concentrated services in these schools to comply with the objective of the Model Cities Program to concentrate resources in Model Cities areas. However, the Model Cities guidelines state that Model Cities areas are eligible for Federal programs, such as those authorized by title I, only if they meet the eligibility criteria and priorities of those programs.

LEA officials agreed that they had not limited participation and told us that, beginning with the 1972 program, they planned to substantially reduce the number of participating schools and to limit the program to schools in areas having the highest concentrations of children from low-income families. They said that the 1972 program would provide for concentrating services on individual children in that supportive services would be provided only to children enrolled in a basic instructional activity.

LEA officials told us that, to help ensure compliance with the laws and regulations, the Federal Government should clarify the relationship between the title I programs and the Model Cities Program.

Harrisburg LEA

The Harrisburg LEA did not concentrate its fiscal year 1970 title I program in a limited number of schools but carried out its project, which consisted primarily of reading instruction, in all six schools that it determined to be eligible to participate.

LEA officials told us that there was little variation in the incidence of poverty in the school areas but that, beginning with the fiscal year 1971 program, they began to concentrate their title I program on using local rather than title I funds to finance program activities in the high school. They said that they were also considering using local funds to finance activities in the junior high school in fiscal year 1972, which would thereby limit the title I program to the elementary schools.

Although the services were generally limited to reading, LEA officials told us that they did not consider this to be a deviation from the OE guidelines requiring that a variety of services be provided to each participating child, since other services--such as health, speech correction, psychological services, and guidance counseling--were being provided through the regular school program or through local agencies. They said, however, that on the basis of our review, they planned to make a comprehensive assessment of the needs of the educationally deprived children (see ch. 4) in Harrisburg to determine whether available services had been adequate.

Rockford LEA

The Rockford LEA did, for the most part, limit the number of participating schools and children in its project activities. However, the participants in the regular-term reading activity were not provided with other activities considered essential for success in overcoming educational deprivation.

During the regular school term, essentially one activity was provided, remedial reading. The services of nurses, teacher-aides, and a social worker were also furnished. In contrast, during the summer term several services, including counseling, books for parents, and recreation, were provided, in addition to instruction in reading.

The assistant superintendent for the LEA told us that he had not provided the same variety of services during the regular school term as provided during the summer term because similar services were locally funded during the regular term. He said that he now realizes that the services

provided under the regular program were not sufficient to meet the needs of the educationally deprived child and that he therefore planned to establish a pilot project to provide other services in conjunction with the regular-term reading activity.

SELECTION OF CHILDREN TO PARTICIPATE IN PROJECT ACTIVITIES

The Chicago and Rockford LEAs did not establish definitive criteria or procedures for selecting children to participate in project activities. As a result, neither the LEAs nor the SEA were in a position to assure themselves that the most educationally deprived children had been selected. Further some project activities were available to all children rather than concentrated on the educationally deprived.

OE guidelines state that the title I program must be focused on those children who are most in need of special educational assistance and that this process will normally involve determining the needs of individual groups of children and the possibilities for success in working with these groups. The regulations state that projects should be focused on the most educationally deprived and should not be designed merely to meet the needs of the student body at large or those of a specified grade.

Chicago LEA

At the Chicago LEA the criteria for selecting participating children were not clearly defined nor uniformly applied for the two largest project activities--special assistance in reading ($5 million expended) and school-community identification ($3 million expended). Also two other activities--family living centers and outdoor education and camping--were available to all students.

According to the LEA's application, participation in the reading activity during the regular school term was to be limited to children whose achievement levels were 2 or more years below grade level and who were not being served by a State-required program for the educable mentally handicapped. Further, priority was to be given to the most educationally deprived. However, the bases to be used for making the grade-level determinations and for selecting participants were not indicated in the application.

The proposal for the summer reading activity stated that it was to be an extension of the regular-term activity and was to have essentially the same requirements for participation, except that no specific grade-level deficiency was cited as a selection criterion. LEA reports stated, however, that the children selected had reading deficiencies of 1 or more years below grade level.

An LEA official told us that three methods were to be used by school officials to select children to participate in the reading activity during the regular term: (1) test scores, (2) teacher observation, and (3) a combination of the child's past and potential performance as determined by tests and teacher observation. He also said that, to aid the school officials in making their selections, each school principal had been furnished with the title I guidelines and a copy of the application.

Our visits to 13 of the 85 schools at which the reading activity had been provided during the regular term showed that different methods had been used by school principals to select children to participate in the activity. For example, some principals said that they selected children who had 2-year deficiencies in reading level based on achievement scores; others said that they selected children who were 2 years behind the grade levels expected of children of their chronological ages; still others said that they selected children who were 2 years behind the grade levels expected of children of their mental ages. Moreover some principals said that, in making these determinations, they used citywide tests and others said that they used their own tests.

An LEA official told us that the selection of children to participate in the summer-term reading activity had been made by school principals on the basis of the most recent test data. He also said that a test had been given to each child during the first week of the activity. Our analysis of these test scores for 652 of the 741 pupils enrolled at three of the schools where the reading activity was provided showed that 143 pupils, or 22 percent, were less than 1 year behind their grade levels in reading.

LEA officials said that, to ensure future uniformity in the selection process, beginning with the 1972 program, they would more fully specify the selection criteria to be followed by school officials and that they would require that a record be maintained of the basis used in selecting each participating child.

According to an LEA official, participation in the school-community identification activity in those schools having other title I activities was to be limited to children who also participated in a basic title I instructional activity. For those schools where school-community identification was the only title I activity, participation was to be limited to the most educationally deprived children in those schools.

Our discussions with principals and school officials at 16 of the 206 schools that participated in the school-community identification activity indicated that nine of the 16 schools were serving all children and had no procedures for focusing the services on the most educationally deprived children. LEA officials told us that procedures would be developed to limit participation in this activity to the most educationally deprived children and that they would monitor the schools to ensure compliance.

In the outdoor education and camping activity ($808,000 expended), which was designed to provide supplemental learning in an outdoor environment, all children at grade levels specified in the application were allowed to participate whether or not they were educationally deprived. LEA officials told us that they provided for participation by all children because they believed that such participation would be more advantageous to the educationally deprived children than segregating them from the rest of the class. They said, however, that they recognized that this practice was not consistent with the title I regulations and guidelines and that, beginning with the 1972 program, only those children enrolled in a basic instructional activity could participate in this activity.

LEA records for the family living center activity ($867,000 expended), which had been created to enable pregnant girls to maintain scholastic pace with their classmates,

showed that enrollment was open to all pregnant girls from any public or private school. LEA officials told us that there was a great citywide need for the activity and believed that without title I funding it would cease to operate, because the Chicago Board of Education had refused to take over the funding. They said, however, that future participation would be limited to those pregnant girls from the title I eligible school attendance areas.

Rockford LEA

The Rockford LEA's project application did not specify definitive selection criteria and stated that those students having the greatest difference between reading achievement and reading potential should be selected for the regular-term and summer-term reading activities ($12,000 expended). Our discussions with principals and title I teachers at three schools showed that they had developed their own criteria for selecting students to participate in the reading activity. The selections were based primarily on regular classroom teacher referrals or title I teacher judgments based on their experience with the children and whatever objective evidence was available.

LEA officials agreed that definitive criteria and procedures were needed to ensure that in each school the children most in need of special help would be selected for the reading activities and said that they would take steps to develop such criteria.

Certain supplementary title I services provided by nurses and some teacher-aides appeared to be of the nature of general aid to the student body at large rather than categorical aid to identified educationally deprived children. These services cost $47,000, or 19 percent of the $247,600 spent for the title I project by the LEA during the regular school term. The nurses furnished health care to all children in the eligible school rather than concentrated their services on those identified as educationally deprived. Also, teacher-aides served as librarians in several schools rather than as assistants to the title I teachers, contrary to what was called for in the project application.

LEA officials agreed with our findings and said that they would develop procedures to help ensure that services of nurses and teacher-aides are focused on the educationally deprived children.

EXTENSION OF SERVICES TO NON-PUBLIC-SCHOOL CHILDREN

Participation by non-public-school children in the Rockford LEA's title I project was limited to providing nonpublic schools with small amounts of equipment and to having a limited number of children attend the summer school activities. Provision for participation of educationally deprived non-public-school children was made by the Chicago LEA in its title I program. No nonpublic schools were in the area served by the Harrisburg LEA.

The enabling legislation states that children enrolled in private schools should be given opportunities to participate in an LEA's title I program. OE title I guidelines state that the equally high priority needs of educationally deprived private school children should be met with services comparable in scope and quality to those given to public school children. Title I regulations require that the needs of educationally deprived children enrolled in private schools, the number of children who will participate in the program, and the types of special educational services to be provided for them shall be determined after consultation with persons knowledgeable of the needs of the private school children.

The National Advisory Council on the Education of Disadvantaged Children stated in its January 1969 report that available information indicated that adequate provision was not being made in the title I program for disadvantaged, non-public-school children and that such children should be fully considered in planning and operating the title I program to ensure equal opportunities for all children in the project area.

Although a small amount of equipment was provided to nonpublic schools, LEA records showed that none of the 1,223 children in the Rockford LEA who participated in its fiscal year 1970 title I program during the regular school

term were from nonpublic schools and that 196 of the 1,696 children who participated during the summer term were from nonpublic schools. LEA records indicated that non-public-school children represented more than 7,300, or 14 percent, of the 51,400 children in the area served by the LEA.

Private school officials told us that they wanted their students to participate in title I activities during the regular school term. A spokesman for the Catholic school system, the largest non-public-school system in Rockford, told us that LEA officials had agreed orally to have eligible children from his schools participate during the 1970 regular school term but that the children had never participated. Information in the files showed that the spokesman had followed up with the LEA on this matter. However, because LEA officials with whom the oral agreement had been reached were no longer employed by the LEA, we were unable to determine why the Catholic school children had not been brought into the program.

LEA officials responsible for the program at the time of our review said that they would take corrective action and would schedule a conference with non-public-school officials so that they could plan for adequate title I program participation by non-public-school children.

INVOLVEMENT OF PARENTS AND COMMUNITY ORGANIZATIONS IN PROGRAM

Opportunities existed at all three LEAs to increase the involvement of parents of title I children and representatives of community organizations in program operations. Maximizing the involvement of these groups could help to increase the responsiveness of the title I program to the needs of the children. As discussed in chapter 4 of this report, parents and community organizations also were not involved in determining the needs of the children.

OE guidelines state that provision should be made in an LEA's title I program for the participation of, and special services for, parents of title I children and that the goal of such activities and services should be to build the parents' capabilities to work with the school to support their children's well-being, growth, and development.

The guidelines state also that resources from other programs and organizations should be used, together with title I funds, to meet the needs of educationally deprived children. The guidelines recognize that, to avoid duplication of effort and to increase the impact of title I, which is directed primarily at the educational needs of children, it is important that community organizations be made aware of these needs, particularly those needs indirectly related to the educational process, such as improved nutrition and the treatment and prevention of diseases and disabilities.

The National Advisory Council on the Education of Disadvantaged Children stated in its January 1969 report that no school or program could, by itself, hope to overcome the manifold effects of disadvantagement. According to the report, a child spends no more than 6 hours a day in school but the rest of the day is also a learning time for the child. The report indicated that, if the title I program was to be successful, it had to be part of an alliance between parents, the community, and educators.

The Chicago program provided for parental involvement, and each school provided for coordination of program operations with community organizations. However, LEA officials told us that no procedures or plans existed for coordinating

on an LEA-wide basis title I activities with Chicago's Department of Human Resources which coordinates food, health, and housing services for the city's disadvantaged. They said, however, that they would welcome such coordination and would take steps to secure it in the future.

In the Harrisburg and Rockford programs, parents generally were involved only to the extent that they participated in conferences with teachers or attended parent-teacher association meetings at which title I activities might have been discussed. No concerted efforts were made by the LEAs to involve parents and representatives of community organizations in the operation of the program.

Officials of the three LEAs told us that in the future the desired involvement would be achieved through the title I advisory committees. (See ch. 4.)

SEA AND OE COMMENTS

OE officials concurred with us that an LEA should not include all eligible school attendance areas in its title I program but should concentrate on those areas having the highest concentration of children from low-income families. They noted with approval, during a field visit to the Chicago LEA in September 1971, that the LEA planned to reduce the number of participating schools from 267 to 90 in its 1972 title I program. Subsequently the SEA informed OE that the LEA had not succeeded in reaching this goal in its 1972 program but that substantial reductions should be realized by 1973.

Both SEA and OE officials agreed that there was a need to clarify the use of title I resources in Model Cities areas. OE officials said that they were working on recommendations to clarify the relationship between the two programs.

SEA officials agreed with our findings and the actions planned by the LEAs and told us that they would monitor these actions. They also said that they would require LEAs to include specific details in future project applications on how they planned to involve parents and community organizations in their title I programs.

CONCLUSIONS

The three LEAs did not adequately concentrate their title I programs on providing a variety of services to a limited number of participating children. Two LEAs did not establish definitive criteria or procedures for selecting children to participate in project activities, and one of these LEAs did not provide for adequate participation by non-public-school children. Increased involvement in program operations by parents of title I children and representatives of community organizations was needed at all three LEAs to maximize the potential impact on the target children.

The LEAs have promised to take actions which, if properly implemented, should correct the weaknesses noted.

RECOMMENDATIONS TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

HEW should work with the SEA and LEAs to help ensure that the title I program (1) is concentrated in a limited number of eligible school attendance areas and is providing a variety of services to the participating children, (2) is focused on the most educationally deprived children, (3) is extended to eligible non-public-school children, and (4) involves parents and other groups in the community.

HEW should also furnish guidance as soon as possible to SEAs and LEAs on providing title I services to schools in Model Cities areas.

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HEW concurred in our recommendations and stated that OE (1) had worked, and would continue to work, with the SEA on developing procedures and techniques for improving program design and operation, (2) had issued a handbook on the participation of private school children, and (3) would soon issue a handbook on parental involvement.

HEW stated also that, during the last week of January 1972, OE and the Model Cities Division of the Department of Housing and Urban Development cosponsored a national conference to develop strategies as to how title I and Model Cities

programs could complement each other in providing maximum benefits to children in areas compatible with both programs. In addition, HEW stated that a representative of OE had been invited by the SEA to participate in a proposed meeting with the Model Cities staff to promote understanding and cooperation at all levels.

CHAPTER 6

NEED FOR REVIEW OF EQUIPMENT PURCHASED WITH TITLE I FUNDS

Contrary to OE guidelines, none of the three LEAs or the SEA reviewed title I equipment inventories to determine whether the equipment was being effectively utilized to assist the children intended to be served by the program. A large part of the equipment that had accumulated after program inception in 1965 was not being used for currently funded title I projects but was being used in other projects and activities that might have constituted aid to the schools in general. Such aid is contrary to the objectives of the title I program.

SEA records showed that equipment costing about $12.4 million was procured under the title I program by all LEAs in Illinois during fiscal years 1966 through 1970. The Chicago, Harrisburg, and Rockford LEAs expended about $8.2 million, $89,000, and $231,000, respectively, during this 5-year period. The major part of this equipment was purchased during the early years of the title I program.

PROGRAM REQUIREMENTS

The title I regulations require that an LEA's application provide assurance that property acquired with program funds will be used for the purpose of the grant. The regulations also provide that each LEA maintain an inventory of all units of equipment acquired with title I funds and costing $100 or more.

According to OE guidelines equipment purchased under an approved title I project but not needed for current title I activities may be used in schools, including those no longer eligible for title I participation, provided it is used to carry on other education activities for educationally deprived children. However, such equipment must be made available, as needed, to schools participating in current title I activities.

The guidelines also state that equipment no longer appropriate for use in title I projects should be sold or transferred to the LEA's regular equipment inventory and the appropriate amounts refunded to the Federal Government. The SEA, according to the guidelines, is required to review existing title I inventories of equipment and to ensure that such equipment is being effectively used for title I purposes.

USE OF EQUIPMENT NOT REVIEWED

Contrary to OE guidelines, neither the SEA nor the three LEAs reviewed title I equipment inventories to determine whether the equipment was being effectively utilized. Moreover a significant part of equipment purchased after 1965 with title I program funds was no longer being used to aid the children intended to be served by the title I program.

Chicago LEA

Our tests of the Chicago LEA's inventory records showed that title I equipment was assigned by the LEA to many schools that were ineligible for title I projects during 1970. Because of the manner in which the LEA maintained its inventory records, it was unable to readily provide us with the value of this equipment. According to LEA records, 13 schools were eligible for the program prior to 1970 and some had never been eligible. During our visits to two of the 13 schools, it appeared that some title I equipment was being used for general purposes rather than for activities for educationally deprived children. For example, at both of the schools, audio-visual equipment purchased with title I funds was available for general use in the regular classrooms.

LEA officials told us that they were unaware that title I equipment was located in schools which had never been eligible for title I participation and that they would remove this equipment and would establish procedures to help ensure that in the future such equipment is not transferred to ineligible schools. They believed, however, that OE should issue more precise guidelines on what use of title I equipment would be permissible in schools that had once participated in the program but were no longer eligible. They said that, because the guidelines were not clear, they

did not know whether the equipment in the 13 schools was being used for acceptable purposes.

Harrisburg LEA

The Harrisburg LEA records showed that the high school, which had only a special reading class approved under the 1970 title I program, had title I equipment costing over $42,000, including industrial shop equipment costing $27,000 and music, art, and home economics equipment costing $6,100. In addition, title I equipment costing about $3,000 was assigned to elementary schools not eligible at the time of our review for participation in the title I program.

LEA officials told us that some of the equipment was being used in classes that by their nature were geared toward the educationally deprived. The officials said that, for example, the industrial shop equipment was being used in vocational classes at the high school and that some of the equipment at the elementary schools was being used by speech correctionists. The officials said, however, that these classes were open to all students and were not restricted to educationally deprived children. Title I regulations require that title I funds be used to meet the needs of educationally deprived children.

Rockford LEA

Equipment costing about $110,000 and purchased by the Rockford LEA with title I funds during fiscal years 1966 through 1970 was not being used in the title I program at the time of our review. LEA officials told us that no other compensatory education projects existed in Rockford. According to LEA records, equipment costing about $61,000 was located in 20 schools that were not eligible for title I projects in 1970 or 1971 and equipment costing about $49,000 was located in schools that, although eligible, had no title I projects designed to use such equipment. For example, home economics, industrial arts, and science equipment costing about $47,000 was located in one junior high school, although the title I project activities at this school consisted of remedial reading, mathematics, and related services.

LEA officials said that, on the basis of our findings, they would review the use of and need for this equipment and that, if it was no longer required for title I purposes, they either would sell the equipment or would transfer it to the LEA's regular equipment inventory and would credit the Federal Government with the appropriate amount.

SEA COMMENTS

SEA supervisors responsible for the Chicago, Harrisburg, and Rockford title I programs told us that, because of other work priorities, they had never made a complete review of title I equipment inventories. They said that generally their reviews had been limited to equipment used in selected title I projects that they had visited during the program year.

The SEA director of the title I program told us that the SEA had not placed a high priority on its responsibility for reviewing the use of this equipment because he and his limited staff had not had time to oversee this responsibility due to their heavy involvement in approving new projects and reviewing ongoing ones.

The director agreed that a thorough review of equipment purchased with title I funds should be made to ensure that it is being properly used. He said, however, that additional guidance was needed from OE to clarify what is an acceptable use of this equipment as it relates to other compensatory education programs.

CONCLUSIONS

A considerable part of the title I equipment that the three LEAs had accumulated after program inception was not being used in the currently funded title I program but was being used in other projects and activities that may have constituted aid to the schools in general. Neither the LEAs nor the SEA reviewed existing title I equipment inventories to determine whether the equipment was being properly used for title I purposes, contrary to OE guidelines. Some of this equipment was being used in activities which LEA and SEA officials believed constituted other compensatory education activities and which was thus permitted by OE guidelines.

The guidelines, however, do not set forth specific criteria on what uses are permissible.

RECOMMENDATIONS TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

HEW should (1) issue additional guidelines to all SEAs stating under what circumstances and conditions equipment purchased with title I funds may be used in other programs, (2) emphasize to SEAs the importance of reviewing LEAs' title I equipment inventories to determine whether the equipment is being used to meet the needs of educationally deprived children and, when equipment is not being used for such purposes, ensuring that LEAs either sell the equipment or transfer it to their regular equipment inventories and credit the Federal Government with the appropriate amount.

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HEW concurred in our recommendations and stated that OE was drafting a revised regulation which would give consideration to (1) specific criteria on permissible uses of title I equipment in other programs and (2) strengthening SEA surveillance of LEA title I equipment inventories and of LEA disposition of such equipment not being used for title I purposes.

CHAPTER 7

IMPROVEMENTS NEEDED IN SEA'S ADMINISTRATION OF PROGRAM

To help improve LEAs' program operations, the SEA should, in addition to reviewing LEAs' title I equipment inventories, strengthen its administration in three other respects--reviewing project applications, monitoring LEA activities, and administering local financial audits.

The title I regulations require the SEA to review all project applications submitted by LEAs and to monitor the projects to ensure that they are designed to meet the special educational needs of educationally deprived children. In addition, the SEA must provide for the audit of all project expenditures.

REVIEW OF PROJECT APPLICATIONS

Beginning with the fiscal year 1970 program, OE assigned responsibility for designing title I project application forms to SEAs. The application forms designed by the Illinois SEA for fiscal years 1970 and 1971 did not elicit, and SEA officials did not request, sufficient information for the SEA to determine whether the proposed projects met the requirements of the act. The application form was not designed to obtain important information on such factors as:

--A list of needs in order of priority for each group of children to be served.

--A description of the types of changes sought and the degree of change expected in the child's performance as a result of the project.

--An analysis of the special needs of private school students and information on the comparability of services to be provided to these students and to public school students.

--A description of planned parental involvement.

--A description of the proposed evaluation plan.

The fiscal year 1970 applications were reviewed by 11 SEA regional supervisors who approved about 900 separate projects. The regional supervisors responsible for the three LEAs covered in our review told us that, because they did not have time in some cases to request additional supporting information from LEAs, it was necessary to base approval on either their personal knowledge or assumptions regarding LEA projects. Additional information was acquired in some instances but only after the project had become operational.

SEA officials told us that they were revising the application form for the fiscal year 1972 program to elicit additional required information and that staff members would be added to more thoroughly review the applications.

OE officials told us that they had not in the past reviewed the application forms designed by SEAs because of staffing limitations. They said, however, that their staff had recently been increased and that in the future they would review the adequacy of the application forms. In addition, OE issued a manual in April 1971 which should be of assistance to SEAs in designing and reviewing project applications.

OE officials told us also that, during a visit made to the SEA in September 1971, they noted that SEA officials were making more thorough reviews of project applications and, in many cases, were deferring approval pending receipt of additional information from LEAs.

MONITORING LEA ACTIVITIES

SEA monitoring of LEA activities was generally not systematic but was left to the discretion of the regional supervisors. Generally the supervisors were concerned with visiting each LEA from one to three times a year rather than with scheduling visits on the basis of potential program weaknesses.

In addition, these visits were frequently not of sufficient scope to detect the type of weaknesses discussed in this report. The SEA supervisor for the Chicago LEA told us that she had not obtained nor examined the documentation supporting the LEA's computation of the number of children from low-income families in each school attendance area and had not verified the eligibility of children in accordance with the selection criteria contained in the application. The supervisor for the Rockford LEA said that he generally had not made in-depth reviews of program compliance areas.

SEA officials told us that their ability to effectively monitor LEA activities had been limited by a staff shortage. For example, one SEA supervisor was responsible for the entire Chicago LEA and two other supervisors were responsible for about 190 LEAs, in addition to the Harrisburg and Rockford LEAs. SEA officials said that they planned to (1) increase the support staff of the regional supervisors and to adjust the number of LEAs for which each supervisor would be responsible and (2) develop guidelines for use by the regional supervisors in scheduling visits to LEAs and in monitoring project activities.

OE officials told us that they agreed with the actions planned by the SEA. Also OE issued a manual in April 1971 for use by SEAs in monitoring LEA project activities.

ADMINISTRATION OF LOCAL FINANCIAL AUDITS

Contrary to OE regulations, the SEA did not establish effective administrative control over financial audits of title I activities of LEAs. No systematic procedures were established for reviewing audit reports and notifying LEAs of audit exceptions requiring corrective action.

Audits of LEA projects in Illinois are made by certified public accounting firms engaged by LEAs, and copies of the reports are sent to the SEA. The SEA developed instructions for conducting such audits and distributed them to the accounting firms making the audits. However, the SEA did not establish procedures for the systematic review of the audit reports. The SEA did not review the audit reports for fiscal years 1968 and 1970 and only partially completed its review

of fiscal year 1969 reports. Moreover the SEA did not notify LEAs of the corrective action required to satisfy audit exceptions in the reports. According to SEA officials this situation resulted from a lack of clearly defined responsibilities between the SEA's audit group and its title I program administrators on the follow-up of audit exceptions.

SEA officials told us that many of the audit reports had not been prepared in full compliance with SEA instructions. They said that, for example, the reports did not include information on whether project expenditures had been properly budgeted for and were consistent with the terms of the approved grant. However, the SEA had no procedures for directly advising the public accounting firms of inadequacies, and representatives from several firms told us that they were unaware that the SEA was dissatisfied with their reports.

SEA officials told us that they planned to revise the audit instructions, to develop new procedures involving the computerization of certain records to facilitate a more timely analysis of the audit reports, and to formalize the responsibility for notifying LEAs of any required corrective actions resulting from audit exceptions. They also said that they would establish procedures for notifying the public accounting firms of inadequacies in their reports.

CONCLUSION

The procedures followed by the SEA in approving applications, in monitoring ongoing title I projects, and in administering local financial audits were not adequate to ensure that the projects were planned and operated in accordance with the act. However, the changes planned by the SEA, along with the new guidelines issued by OE, should enable the SEA to better identify and correct weaknesses in program administration.

RECOMMENDATION TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

HEW should monitor the changes planned by the SEA to improve its administration of the program and should provide any technical assistance necessary to implement the changes.

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HEW agreed that improvements were needed in the SEA's administration of the title I program and stated that OE had provided, and would continue to provide, the SEA with technical assistance to strengthen its administration of the program. HEW pointed out that (1) during the 1972 State program review, OE found that improvements had been made by the SEA, especially in the structure and contents of its project application forms and in its program monitoring procedures and (2) the SEA's audit agency reported that it was working closely with the Illinois Society of Certified Public Accountants to strengthen title I audits and that OE would give special attention to the State's administration of audits during its next State program review.

CHAPTER 8

AUDIT FINDINGS REPORTED BY HEW AUDIT AGENCY

As a result of its audits of the title I program in selected States, the HEW Audit Agency has reported significant findings on deficiencies in program administration and fiscal control by LEAs and SEAs. OE generally did not notify SEAs on a timely basis of the corrective actions to be taken. Findings reported on the program in 11 States, including Illinois, had remained unresolved for 2 or more years. Increases in the number of title I staff members and implementation of new procedures by OE during 1971 concerning final determinations should provide for more timely resolution of reported audit findings.

AUDIT RESPONSIBILITY REQUIREMENTS

OE guidelines state that the Audit Agency will make annual audits of the title I program on a substantially current basis. The Audit Agency is responsible for developing audit policies, plans, and procedures and for making title I audits primarily to determine whether (1) administrative and financial controls are adequate to provide reliable reports for management evaluation and decisionmaking, (2) expenditures were made in accordance with applicable Federal and State regulations, and (3) projects were conducted in an economical and efficient manner and in compliance with the requirements of applicable laws and regulations and the approved State application.

All title I audit findings reported by the Audit Agency are to be resolved by the Commissioner of Education who has delegated this function to OE's Bureau of Elementary and Secondary Education. According to OE officials, the SEA is allowed 30 days after receiving an audit report to respond to OE on the findings; then OE is to issue a determination letter stating its position and the corrective action that must be taken by the SEA. The SEA then is allowed an additional 30 days to respond to this letter and to either (1) accept OE's position and take corrective action or (2) dispute OE's determination, in which case the SEA may hold discussions with, and submit additional evidence to, OE, after which OE makes a final determination on the corrective action required.

OE is responsible for recovering title I funds which it has determined to have been expended for improper purposes. Prior to June 1971 recoveries were to be obtained by requesting the SEA involved to remit the required amount to OE for deposit in the Treasury. In June 1971 HEW's office of the General Counsel ruled that, if the refund were not remitted, OE would have a legal right to withhold the required amount from subsequent Federal title I payments to the State.

AUDIT FINDINGS NOT RESOLVED ON A TIMELY BASIS

HEW Audit Agency records show that, during the 4-year period from March 1967 through February 1971, 55 reports were issued on the title I program in 41 States and the District of Columbia. As of June 30, 1971, findings involving about $37 million in title I funds in 27 of the reports on 24 States had not been resolved. Findings in 11 of the reports had been unresolved from 2 to 4 years.

Of these 11 reports, two concerned the title I program in Illinois. The first report, issued in September 1967 on the SEA and the Chicago LEA's program, disclosed administrative weaknesses and inadequate fiscal controls and questioned the use of over $6.6 million of title I funds. The second report, issued in June 1969, pertained to the Chicago and other selected LEAs and to the SEA's administration of the program. That report stated that generally the findings in the first report had not been resolved, identified certain other deficient administrative practices and inadequate fiscal controls, and questioned the use of $2.8 million more of title I funds. As of November 30, 1971, OE had not issued a final determination letter on either of the two audits.

According to OE officials, the resolution of audit findings was delayed primarily because (1) sufficient staff was not available to handle the audit reports along with the other title I administrative responsibilities, (2) notification to SEAs of final determinations had been held in abeyance pending a decision on the means of recovery when large sums of money were involved, and (3) the responsibility for follow-up action to ensure collection of amounts due the

Federal Government had not been clearly defined and assigned within OE.

An OE official told us that the number of professional staff members directly involved in the title I program was increased during 1971 and that as a result substantial progress had been made in clearing the backlog of unresolved audit findings. Moreover, in August 1971, the Commissioner of Education approved a plan to expedite the resolution of audit findings. Under the plan OE is to (1) take priority action to reach final determinations on audit findings, (2) withhold amounts due the Federal Government from subsequent payments to those States that have not remitted the amounts due by specific dates, and (3) assign responsibility within OE for taking follow-up action to ensure recovery of title I funds determined to have been improperly expended.

According to an OE official, final determination letters were sent between July 1 and early September 1971 to 11 States requesting refunds of about $5.6 million.

CONCLUSION

Until fiscal year 1972, OE did not take adequate action to ensure the timely resolution of title I audit findings reported by the Audit Agency and the recovery of improperly expended program funds. However, in view of the action taken by the Commissioner of Education to expedite the resolution of audit findings, we are making no recommendation.

CHAPTER 9

NEED TO CONSOLIDATE PROGRAM GUIDANCE MATERIAL

OE is responsible for issuing regulations and guidelines to help ensure that SEAs and LEAs implement and administer the title I program in a manner consistent with the intent of the act. In view of the thousands of LEAs throughout the country operating title I programs, it is apparent that the complete and current availability of program guidance material is important to the national success of the program.

In 1965 OE issued a title I guideline manual which has been subsequently revised through the issuance of numerous memorandums and directives that pertain to a single or a selected number of subjects. The revisions, however, were not consolidated into the guideline manual.

SEA and LEA officials told us that the absence of a consolidated set of program guidelines--aggravated further by a high turnover of LEA title I employees--was responsible to a great extent for the problems they were experiencing in program administration and implementation.

One SEA regional supervisor told us that he did not know what constituted the total current OE guidance material for LEA implementation of title I programs. He said that employee turnover was considerable at the LEAs and that in many cases the older guidance material had been filed with the records for the year in which it was received. In such cases the present LEA officials would tend to concern themselves with the more recent guidance material and would probably not be aware of older material still in effect.

At Rockford, for example, LEA officials told us that they relied on the revised regulations, as well as several selected revisions to the initial guidelines, and did not review guidance material filed in title I records for prior years. An LEA official responsible for program evaluation at the Chicago LEA told us that he was aware that evaluations were required for major title I activities but was not aware that the guidelines required an evaluation of the entire title I program. He said that, even though he was now

aware of this requirement, he would not agree that it was still in effect because subsequent revisions to the guidance material had been silent on the need for overall program evaluation.

OE officials told us that they agreed that all guidance material should be consolidated into a single manual. They said that they were working toward this goal but that, because of the large amount of material issued from program inception, they did not expect to complete this task until early 1972.

CONCLUSION

Title I program guidelines were subject to numerous revisions from inception of the program, but these revisions were not consolidated into a single manual by OE. As a result SEA and LEA officials have experienced considerable difficulty in maintaining a complete set of the guidance material and in determining what material currently is in effect. OE, however, is in the process of consolidating the guidance material into a single reference manual for dissemination to SEA and LEA program administrators.

Early issuance of the manual in a format that will permit systematic incorporation of new material and revisions should significantly assist SEA and LEA officials in administering the program.

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HEW informed us that in February 1972 OE issued a program information guide which (1) identified the current legislation, regulations, guidelines, and other types of program material applicable to the administration of the title I program and (2) canceled all obsolete title I program manuals and guidelines which had been issued from the programs' inception in 1965. HEW informed us also that a new title I directive system had been drafted and had been forwarded to State title I officials for comment before final preparation of the document for implementation by July 1, 1972.

CHAPTER 10

SCOPE OF REVIEW

Our review was made at the OE headquarters in Washington, D.C.; at the SEA in Springfield, Illinois; and at the LEAs in Chicago, Harrisburg, and Rockford, Illinois.

We examined applicable legislation, Federal regulations, OE program policies and directives, project applications, reports, and other documents relating to the title I program. We also interviewed officials having responsibilities under the program at the above locations and parents, teachers, and members of community organizations having an interest in educationally deprived children.

Our review was directed primarily toward examining available data on the impact of selected title I projects on the educationally deprived children who resided in the project areas and included an examination of the methods used in (1) selecting school attendance areas and children to participate in the program, (2) assessing the priority educational needs of the children, and (3) evaluating the impact of the projects. Certain areas of program administration at the Federal, State, and local levels were also examined.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20201

MAY 22 1972

Mr. Henry Eschwege
Director, Resources and
Economic Development Division
U.S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Eschwege:

The Secretary has asked me to reply to your letter dated January 31, pertaining to the General Accounting Office draft report to the Congress entitled, "The Federal Program of Aid to Educationally Deprived Children in Illinois Can Be Strengthened" - B-164031(1). Detailed comments on the findings, together with statements of actions to be taken to implement the related recommendations are set forth in the enclosure hereto. They are the product of review by cognizant Departmental and Office of Education staff of your report and the responses thereto submitted by the State and local educational agencies concerned.

Sincerely yours,

James B. Cardwell
Assistant Secretary, Comptroller

Enclosure

APPENDIX I

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE COMMENTS PERTINENT TO THE DRAFT REPORT TO THE CONGRESS OF THE UNITED STATES BY THE COMPTROLLER GENERAL OF THE UNITED STATES ON THE ADMINISTRATION OF THE FEDERAL PROGRAM OF AID TO EDUCATIONALLY DEPRIVED CHILDREN IN ILLINOIS CAN BE STRENGTHENED

NEED TO EVALUATE PROJECT IMPACT

HEW should work with the SEA and LEAs to develop project objectives in measurable terms and to devise techniques and procedures for evaluating the success of projects in meeting these objectives. HEW should also emphasize to the SEA the importance of obtaining the required annual evaluation reports from the LEAs and using them as a basis for determining whether improvements in the LEAs programs are necessary.

DEPARTMENT COMMENT

We concur in this recommendation.

Since the summer and fall of 1971, staff members of the U.S. Office of Education have been working with the State and local Title I officials on the development of project objectives in measurable terms and on devising techniques and procedures for evaluating the success of projects in meeting the established objectives. The means used to accomplish the foregoing activities were conferences with State Title I officials, regional meetings with State and local Title I personnel, and State program reviews. The State agency informed the Office of Education on March 10, 1972, that application forms designed for fiscal year 1973 make provisions for obtaining clearly stated objectives and desired outcomes. The necessity for such objectives has been repeatedly emphasized in in-service training and workshops held by the State office during 1972. Furthermore, the State agency was urged by staff members of the Office of Education to develop an evaluation mechanism which would be meaningful and effective to local and State personnel in strengthening the process of review and approval of project applications. In addition, the State was urged to initiate procedures for local school districts to make timely and accurate reports to the SEA on the evaluation of Title I programs at the local level. With respect to this matter, the State officials informed us that they have always stressed the importance of effective evaluation at the local level. This is demonstrated by their dissemination activities through workshops, newsletters and other presentations wherein they have stressed the topic "Local Evaluation is the Key to Success." The State agency conducted a workshop on March 25-26, 1971, with that topic as the theme.

The Office of Education will give consideration to the findings listed in this exception during its next State program review, which is scheduled for 1973.

IMPROVEMENTS NEEDED IN DETERMINING SCHOOL ATTENDANCE AREAS ELIGIBLE TO PARTICIPATE

HEW should emphasize to the Illinois SEA the need for (1) ensuring that the LEAs use the most current and complete data in determining school attendance areas eligible to participate in the program, (2) retaining documents supporting these determinations, and (3) revising its instructions to indicate clearly the extent and type of documentation that must be retained.

DEPARTMENT COMMENT

We concur in this recommendation. The Office of Education will reemphasize to the Illinois SEA the need for complying with the points raised in the GAO recommendations.

We have been aware for some time of the problems school districts have encountered in determining school attendance areas eligible to participate in Title I programs and have taken a number of steps to provide guidance.

On April 14, 1967, ESEA Title I Program Guide #36 - Criteria for the Appraisal of Applications for Grants under Title I, ESEA - was sent to the Chief State School Officers (CSSOs).

On March 18, 1968, ESEA, Title I Program Guide #44 - Revised Criteria for the Approval of Title I, ESEA, Applications from Local Educational Agencies - was sent to the CSSOs. Section 1.1 of this document deals with the criteria for selection of attendance areas for Title I projects. In addition, the SEAs are advised to review the application and advise the applicant which criteria, if any, have not been met. Unless the SEAs find that each criterion, including Section 1.1, has been met, the application may not be approved.

On July 21, 1971, the State Title I Coordinators were sent copies of Title I, ESEA, Selecting Target Areas: Handbook for Local Title I Officials. This handbook is designed to help school officials interpret the Title I regulations affecting selection of target areas and to apply them in a manner most appropriate to their particular circumstances. It should help officials designate eligible attendance areas and select project areas, using the best available data.

This question was also given consideration at the workshops held in the State during the summer and fall of 1971. The Harrisburg Community Schools officials reported to the State agency, on March 17, 1972, that at the present time the school system is completing for the 1973 Title I program a current survey of students of low-income families. The surveyors are basing this study on family income, children receiving free lunches, aid to dependent children lists and children living in low rent housing. This procedure is in compliance with the criteria set forth in Program Guide #44. During future State program reviews of the administration, management, and implementation of Title I programs and activities in Illinois, the Office of Education will give special attention to the question of selection of target areas.

APPENDIX I

NEED FOR COMPREHENSIVE ASSESSMENT OF EDUCATIONAL NEEDS

HEW should emphasize to the SEA the need for the LEAs to make comprehensive assessment of needs in accordance with OE instructions and to document such assessments. HEW should also furnish additional guidance to all LEAs to assist them in making the required comprehensive assessment of needs.

DEPARTMENT COMMENT

We concur in this recommendation.

Besides providing the local school districts, through the State agency, the basic criteria for making a comprehensive needs assessment, the Office of Education has prepared 21 transparencies on "Needs Assessment," which outline the basic steps local school officials should follow in making an assessment of the needs of educationally deprived children residing in project areas. On January 28, 1972, these transparencies were disseminated to the various State Title I Coordinators, with the understanding that they would be reproduced by the Coordinators and then sent to each school district within their respective States for use in training sessions on program development.

The Office of Education will contact the State agency and reemphasize the need for the local school officials to comply with the law, regulations, and criteria in making comprehensive assessments of needs and to document such assessments. Additionally, the State agency will be asked to disseminate the transparencies to local school officials and urge them to use the material in order to strengthen their capabilities in this area of program design. The Superintendent of the Harrisburg Community Schools reported to the Acting Director of the Title I Office that a careful study to determine the priority needs of the educationally deprived children in the project areas is now being completed for the 1973 school year. An advisory council of parents of Title I students, as outlined in the regulations, has been organized and will help plan and make recommendations for the 1973 Title I program.

During our next program review in the State, we will give special attention to the procedures used to make comprehensive assessments of educational needs.

IMPROVEMENTS NEEDED IN PROGRAM DESIGN AND OPERATION

HEW should work with the SEA and LEAs to help ensure the Title I program is (1) concentrated in a limited number of eligible school attendance areas and is providing a variety of services to the participating children, (2) focused on the most educationally deprived children, (3) extended to eligible nonpublic school children, and (4) involved with parents and other groups in the community. HEW should also furnish guidance as soon as possible to SEAs and LEAs on providing Title I services to schools in model cities areas.

DEPARTMENT COMMENT

We concur in this recommendation.

Staff members of the Office of Education have been working with personnel in the State agency since the inception of Title I on procedures and techniques for improving program design and operation of Title I programs. Assistance has been given the State agency on: selecting attendance areas, as outlined in Section 1.1 of ESEA, Title I Program Guide #44; focusing services and benefits on the most educationally deprived children, as is required under Section 116.17(f) of the Title I regulations; extending services to nonpublic schools; and involving parents and other groups in the planning and operation of Title I activities. In addition, the Office of Education has prepared and issued Title I, ESEA Participation of Private School Children: A Handbook for State and Local School Officials. A handbook on parental involvement in Title I activities has been prepared and will be disseminated to State and local officials as soon as it is received from the printer. Additionally, during the last week in January 1972, the Office of Education and the Model Cities Division of the Department of Housing and Urban Development co-sponsored a national conference in Kansas City, Missouri. The participants included officials from the Office of Education and Model Cities, and State and local Title I officials and Model Cities personnel. The purpose was to develop strategies which would allow Title I and Model Cities programs to complement each other in providing maximum services and benefits to children residing in areas common to both programs. Further, the State Title I Acting Director informed the Office of Education on March 23, 1972, that the SEA staff is currently planning a meeting with Model Cities staff to promote understandings and cooperation at all levels. A staff member of OE has been invited to participate in the proposed meeting.

Regarding parental involvement, the Chicago Schools stated that, since the program year covered by this finding, involvement of parents and community groups has steadily increased in the areas of needs assessment, assignment of priorities, program planning, and evaluation.

The Office of Education will remind the State agency of the necessity of complying with the law, the regulations, and the criteria set forth in Program Guide #44 in the development and operation of Title I programs. Further, the State agency will be advised that these matters will be given special attention during future State Title I program reviews.

NEED FOR REVIEW OF EQUIPMENT PURCHASED WITH TITLE I FUNDS

HEW should (1) issue additional guidelines to all SEAs stating under what circumstances and conditions equipment purchased with Title I funds may be used in other programs, (2) emphasize to the SEAs the importance of reviewing the LEAs Title I equipment inventories to determine whether the equipment is being used to meet the needs of educationally deprived children and

in those cases where equipment is not being used for such purposes, ensuring that the LEAs either sell the equipment or transfer it to their regular equipment inventories and credit the Federal Government with the appropriate amount.

DEPARTMENT COMMENT

We agree that the guidelines with respect to equipment purchased with Title I funds need to be clarified.

A revised regulation dealing with equipment is being drafted by the Office of Education. The revision will give consideration to specific criteria on what uses would be permissible for such equipment in other programs and to strengthening the SEA surveillance of LEAs equipment inventories and disposition of equipment not being used for Title I purposes. As soon as the revised regulations have been approved, we will send them to all of the SEAs and LEAs. The State agency informed us on March 23 that use of equipment is monitored by SEA auditors. Many school districts have been asked to phase out and refund equipment no longer needed in programs. The State agency staff is working with a number of local school districts to help them meet the guidelines in phasing out unused equipment. According to information furnished by the SEA, the Rockford Schools are doing a considerable amount of work in this area. Additionally, the Assistant Superintendent for Government Funded Programs, Chicago Schools, reported to the Acting Director of Title I programs, on March 10, 1972, that the local officials from the inception of the Title I program informed the principals of the participating schools of the necessity for identifying all Title I equipment and maintaining an accurate inventory of that equipment.

IMPROVEMENTS NEEDED IN SEA'S ADMINISTRATION OF PROGRAM

HEW should monitor the changes planned by the SEA to improve its administration of the program and provide any technical assistance necessary to implement the changes.

DEPARTMENT COMMENT

We agree that improvements are needed in the State agency's administration of the Title I program.

Since 1970, staff members of the Office of Education have been checking on the agency's procedures for approving project applications, monitoring on-going Title I programs, and administering local financial audits, at the same time providing State officials with technical assistance, where needed, for strengthening the administration and management of the program. During the 1972 State program review, the Office of Education personnel found that improvements in the State administration of Title I had been made, especially in the structure and content of the State's application form,

and in its monitoring procedure. Furthermore, the State officials are demonstrating a real concern in assuring that only eligible children receive benefits under Title I. Additionally, the SEA's audit agency reported that it is working closely with the Illinois Society of Certified Public Accountants to correct the exceptions set forth by the General Accounting Office in this finding.

The Office of Education will continue to provide the State agency with technical assistance to strengthen its administration of the program, and during the next State program review special attention will be given to the State's administration of local audits.

AUDIT FINDINGS REPORTED BY HEW AUDIT AGENCY

The Office of Education presently is giving priority to resolving the HEW Audit Agency report.

NEED TO CONSOLIDATE PROGRAM GUIDANCE MATERIAL

The Office of Education has sent to the State Title I Coordinators and to the HEW Audit Agency ESEA Title I Program Information #332, dated February 14, 1972. This information guide identifies the current legislation, regulations, guidelines and other types of program material applicable to the administration of Title I programs. It also cancels all obsolete Title I program manuals and guidelines which have been issued since 1965. In addition, a new ESEA Title I Directive System has been drafted and has been forwarded to the State Title I officials for comments before final preparation of the document for implementation by July 1, 1972. This information guide, when completed, will be sent to all State Title I Coordinators and to the HEW Audit Agency.

APPENDIX II

PRINCIPAL OFFICIALS OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE RESPONSIBLE FOR ACTIVITIES DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
SECRETARY OF HEALTH, EDUCATION, AND WELFARE:		
Elliot L. Richardson	June 1970	Present
Robert H. Finch	Jan. 1969	June 1970
ASSISTANT SECRETARY (EDUCATION) (note a):		
James E. Allen, Jr.	May 1969	June 1970
Peter P. Muirhead (acting)	Jan. 1969	May 1969
COMMISSIONER OF EDUCATION:		
Sidney P. Marland, Jr.	Dec. 1970	Present
Terrel H. Bell (acting)	June 1970	Dec. 1970
James E. Allen, Jr.	May 1969	June 1970
Peter P. Muirhead (acting)	Jan. 1969	May 1969

[a]There has been no Assistant Secretary for Education since June 1970.

U.S. GAO, Wash., D.C.